

880.06 COLLECTION AT SOURCE.

(a) Each employer shall, at the time of the payment of any salary, wage, commission or other compensation, deduct the tax of one percent per annum for the period January 1, 1968, through December 31, 1982, 1.75 percent per annum from and after January 1, 1983, and 2.0 percent for a period of five years commencing January 1, 2006, of the qualifying salaries, wages, commissions or other compensation due by the said employer to his or her employees who are subject to the provisions of this chapter. In making such deduction at the time of payment, the employer shall compute the tax to the nearest full cent so that mills of five or more shall be increased to the next full cent and mills less than five shall be dropped. No person shall be entitled to a refund merely because such rounding-off of the tax results in an apparent overpayment based on his or her total earnings. Each employer shall, on or before the last day of each month, make a return and pay to the Superintendent the tax withheld during the preceding month. However, the Superintendent shall have the authority to approve the filing of returns and payment of the tax withheld on a quarterly basis. In such case, the employer shall, on or before the last day of each month following the calendar quarters ending March 31, June 30, September 30 and December 31, make a return and pay to the Superintendent the tax withheld during the preceding calendar quarter. Such approval for quarterly filings and payments may be withdrawn by the Superintendent when it is in the best interest of the City of Vandalia to do so. The Superintendent shall provide by regulation, the manner in which such approval is to be granted or withdrawn.

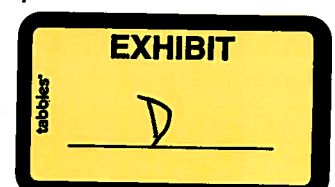
On and after January 1, 2003, every employer required to deduct and pay withholding taxes shall make timely payment to the City of Vandalia by electronic funds transfer, under regulations the Superintendent shall provide, unless the Superintendent allows another form of payment, case by case.

The employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such tax has in fact been withheld.

(Res. 05-R-17. Passed by voters 11-8-05.)

(b) The employer, in collecting said tax, shall be deemed to hold the same, until payment is made by such employer to the City of Vandalia, as a trustee for the benefit of the City of Vandalia, and any such tax collected by such employer from his or her employees shall, until the same is paid to the City of Vandalia, be deemed a trust fund in the hands of such employer.

(c) No person shall be required to withhold the tax on the wages or other compensation paid to domestic servants employed by him or her exclusively in or about



such person's residence, even though such residence is in the City of Vandalia, but such employee shall be subject to all of the requirements of this chapter.

(d) On or before February 28 of each year, beginning with the year 1968, each employer shall file a withholding return on a form prescribed by and obtainable upon request from the Superintendent, setting forth the names and addresses of all employees from whose compensation the tax was withheld during the preceding calendar year, the amount of tax withheld from his or her employees and such other information as may be required by the City of Vandalia Income Tax Rules and Regulations.

(e) It shall be the responsibility of any person, as defined in Section 880.02, who is required to withhold the tax from wages of its employees under this section, to see that all such taxes so withheld are paid to the City of Vandalia in accordance with the provisions of this chapter. In the event taxes withheld from the salaries of employees are not paid to the City of Vandalia in accordance with the provisions of this chapter, the person shall be criminally liable under the provisions of Sections 880.12 and 880.99.

(Ord. 67-26. Passed 12-4-67; Ord. 83-12. Passed 4-18-83; Ord. 88-01. Passed 1-4-88; Ord. 90-20. Passed 9-17-90; Res. 93-R-04. Passed 2-1-93; Ord. 02-24. Passed 12-23-02.)